

106TH CONGRESS
2D SESSION

H. R. 4067

To repeal the prohibition on the payment of interest on demand deposits,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2000

Mr. METCALF (for himself and Mr. LEACH) introduced the following bill;
which was referred to the Committee on Banking and Financial Services

A BILL

To repeal the prohibition on the payment of interest on
demand deposits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Business Checking
5 Modernization Act”.

6 **SEC. 2. AMENDMENTS RELATING TO DEMAND DEPOSIT AC-**
7 **COUNTS AT DEPOSITORY INSTITUTIONS.**

8 (a) REPEAL OF PROHIBITION ON PAYMENT OF IN-
9 TEREST ON DEMAND DEPOSITS.—

1 (1) FEDERAL RESERVE ACT.—Section 19(i) of
2 the Federal Reserve Act (12 U.S.C. 371a) is amend-
3 ed to read as follows:

4 “(i) [Repealed]”.

5 (2) HOME OWNERS’ LOAN ACT.—The 1st sen-
6 tence of section 5(b)(1)(B) of the Home Owners’
7 Loan Act (12 U.S.C. 1464(b)(1)(B)) is amended by
8 striking “savings association may not—” and all
9 that follows through “(ii) permit any” and inserting
10 “savings association may not permit any”.

11 (3) FEDERAL DEPOSIT INSURANCE ACT.—Sec-
12 tion 18(g) of the Federal Deposit Insurance Act (12
13 U.S.C. 1828(g)) is amended to read as follows:

14 “(g) [Repealed]”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall take effect at the end of the 1-year
17 period beginning on the date of the enactment of this Act.

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